

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.601: Rules and regulations.
(Also Part I, ' 1397E)

Rev. Proc. 2001-14

SECTION 1. PURPOSE

This revenue procedure sets forth the maximum face amount of Qualified Zone Academy Bonds (“Bond” or “Bonds”) that may be issued for each State during 2001. For this purpose “State” includes the District of Columbia and the possessions of the United States.

SECTION 2. BACKGROUND

.01 Section 226 of the Taxpayer Relief Act of 1997, Pub. L. 105-34, 111 Stat. 821 (1997), added section 1397E to the Internal Revenue Code to provide a credit to holders of Bonds under certain circumstances so that the Bonds generally can be issued without discount or interest. Ninety-five percent of Bond proceeds are to be used for qualified purposes, as defined by section 1397E(d)(5), with respect to a qualified zone academy, as defined by section 1397E(d)(4).

.02 Section 1397E(e)(1), as amended by section 509 of the Tax Relief Extension Act of 1999, Pub. L. 106-170, 113 Stat. 1860 (1999) provides that the aggregate amount of Bonds that may be issued for the States is limited to \$400 million for each of the years, 1998, 1999, 2000, and 2001 (the “national limitation”). This

amount is to be allocated among the States by the Secretary on the basis of their respective populations below the poverty level (as defined by the Office of Management and Budget) and is to be further allocated by each State to qualified zone academies within the State or possession.

.03 Section 1397E(e)(4), as amended, by section 509 of the Tax Relief Extension Act of 1999, Pub. L. 106-170, 113 Stat. 1860 (1999) provides that any carryforward of a limitation amount may be carried only to the first 2 years (3 years for carryforwards from 1998 or 1999) following the unused limitation year. For this purpose a limitation amount shall be treated as used on a first-in first-out basis.

.04 Rev. Proc. 98-9, 1998-3 I.R.B. 56, Rev. Proc. 98-57, 1998-48 I.R.B. 5, and Rev. Proc. 2000-10, 2000-2 I.R.B. 287, respectively, allocated the national limitation for 1998, 1999, and 2000 among the States and possessions.

SECTION 3. SCOPE

This revenue procedure applies to Bonds issued under section 1397E during 2001.

SECTION 4. NATIONAL QUALIFIED ZONE ACADEMY BOND LIMITATION FOR 2001

The total face amount of bonds that may be issued in 2001 is \$400 million. This amount is allocated among the States as follows:

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 2001 (thousands of dollars)
ALABAMA	\$ 7,641

ALASKA	545
ARIZONA	6,640
ARKANSAS	4,343
CALIFORNIA	52,969
COLORADO	3,899
CONNECTICUT	2,699
DELAWARE	908
DISTRICT OF COLUMBIA	896
FLORIDA	21,699
GEORGIA	11,635
HAWAII	1,496
IDAHO	2,015
ILLINOIS	13,905
INDIANA	4,611

MAXIMUM FACE AMOUNT OF
BONDS THAT MAY BE
ISSUED DURING 2001
(thousands of dollars)

STATE

KANSAS	3,750
KENTUCKY	5,550
LOUISIANA	9,721
MAINE	1,538
MARYLAND	4,372
MASSACHUSETTS	\$ 8,367
MICHIGAN	11,080
MINNESOTA	3,982
MISSISSIPPI	5,162
MISSOURI	7,346
MONTANA	1,595
NEBRASKA	2,103
NEVADA	2,368
NEW HAMPSHIRE	1,071
NEW JERSEY	7,356
NEW MEXICO	4,171

NEW YORK	29,712
NORTH CAROLINA	11,961
NORTH DAKOTA	954
OHIO	15,643
OKLAHOMA	4,939
OREGON	4,839
PENNSYLVANIA	13,056
RHODE ISLAND	1,136
SOUTH CAROLINA	5,265

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 2001 (thousands of dollars)
SOUTH DAKOTA	654
TENNESSEE	7,557
TEXAS	34,818
UTAH	1,406
VERMONT	667

VIRGINIA	\$ 6,288
WASHINGTON	6,333
WEST VIRGINIA	3,285
WISCONSIN	5,229
WYOMING	644
AMERICAN SAMOA	350
GUAM	251
NORTHERN MARIANAS	408
PUERTO RICO	26,308
VIRGIN ISLANDS	372

SECTION 6. EFFECTIVE DATE

This revenue procedure applies to Bonds issued after December 31, 2000.

DRAFTING INFORMATION

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